

EXECUTIVE SUMMARY

Prepared December 5, 2002

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| Mine Name: Levan Gypsum – Steele | I.D. Number: M/023/016 |
| Operator: H.E. Davis Construction, Inc. | County: Juab |
| Address: 525 West Arrowhead Trail Spanish Fork, Utah 84639 | New/Existing: Existing small mine changing status to large mine |
| | Mineral Ownership: USFS |
| | Surface Ownership: Fee & USFS |
| Telephone: (801) 798-7355 | Lease No.(s): UMC 117022, UMC 117023, UMC 117024 & UMC 117025 |
| Contact Person: Tony Christofferson | Permit Term: Life of Mine |
| Telephone: (801) 802-6913 | |

Life of Mine: 20 years

Legal Description: Located in portions of the SE1/4 and SW1/4 of Section 33, Township 14 South, Range 1 East, SLBM, Juab County, Utah

Mineral(s) to be Mined: Gypsum

Acres to be Disturbed: 42.85 total acres proposed for life of mine.

Present Land Use: Mining and wildlife habitat.

Postmining Land Use: Grazing and wildlife habitat.

Variances from Reclamation Standards (Rule R647) Granted: No variances granted.

Soils and Geology

Soil Description: The soils located in this project area consist of Rofis gravelly clay loam in the staging area, and Xerix Terriorthents Rock outcrop complex. The majority of the project area and all of the quarrying area fall under the second category.

pH: 7.36 – 7.69

Special Handling Problems: Approximately 29,730 cubic yards of additional topsoil is proposed to be removed as the mine is expanded. Approximately 19,300 cubic yards is currently stockpiled from the current disturbance for later reclamation. All salvaged soil will be tested at the time of reclamation to see if it will need to be augmented with 10 tons/acre of composted manure to increase the % organic matter. Only 26 acres of disturbance will have soil salvaged due to the lack of available soil in some areas.

Geology Description: The area consists of Arapien shale with gypsum deposits. Gypsum deposits occur as lenses and beds of pale gray to white massive gypsum throughout the region.

Hydrology

Groundwater Description: A “no known groundwater is present” determination was made based on the lack of springs, wells or drill hole data in the region to confirm the presence of groundwater. Also, there are no known developed groundwater resources in the region of the mine.

Surface Water Description: Chicken Creek, a perennial stream, lies 50 to 100 feet below the staging area in elevation and across the county road. A retention basin will be built to capture any disturbed area runoff water from the mines pad and road disturbance in order to prevent disturbed area runoff from adding sediment to the stream.

Water Monitoring Plan: The retention basin will be cleaned, when needed, in order to maintain its volume. No surface or groundwater monitoring plan is proposed or required at this time.

Ecology

Vegetation Type(s); Dominant Species: The dominant species are Gambel's Oak and Mountain Mahogany. There is a small amount of Pinyon/Juniper that may be impacted. The dominant grass is slender wheat grass.

Percent Surrounding Vegetative Cover: Vegetative ground cover was measured at 42.2%.

Wildlife Concerns: There are Golden Eagles in the area with two nests lying within ½ mile of the mine. Based on a recommendation from the Division of Wildlife Resources, these nests will be monitored on a yearly basis. At the present time, there are no special requirements of the operation other than monitoring these nests on a yearly basis, which the US Forest Service will carry out. This will determine any impacts or non-impacts to the nesting sites related to mining.

Surface Facilities: There are no permanent facilities at this site. All mining equipment is portable and used on a temporary as needed basis. The main entrance to the site is gated. Two fuel tanks are located next to the crusher. Potential fuel spills will be secured in secondary containments.

Mining and Reclamation Plan Summary:

During Operations: Gypsum will be mined by open pit, benched excavation methods. Suitable plant growth (soil) material overlying the gypsum deposit will be salvaged for final reclamation. Approximately 900 cubic yards per year will be stockpiled and protected. Typical drilling and blasting techniques will be used to remove the gypsum from the deposit. Trackhoes and loaders will load the material into haul trucks, which will then be transported to the processing area. Approximately 100,000 cubic yards of gypsum will be mined each year. All material mined from the deposit will be consumed and no tailings will be generated. A portable jaw crusher and screen plant will size the gypsum into fines, -2 inch and -6 inch products. The sized material will be placed in stockpiles, loaded onto transport trucks and hauled to offsite markets. Safety berms will be maintained above highwalls and along haul roads. Two temporary diesel fuel tanks will be kept on site. All fuel and lubricants will be placed in plastic lined bermed areas to retain any spills. Some concurrent regrading work will occur during mining operations.

After Operations: The entire mining operation will be reclaimed. The final mine excavation will consist of eight benches, each 40 feet high and 20 feet wide. Compacted areas will be ripped and all areas will be covered with 6 inches of soil material. Stockpiled soil material will be tested and amended with 10 tons/acre of composted manure if necessary. All areas will be hydro-seeded or hand broadcasted with an approved seedmix. The eight 20-foot wide benches will be covered with 6 inches of topsoil, seeded and then raked.

Surety

Amount: \$200,211 (in 2007 dollars)

Form: Surety bond

Renewable Term: 5 years

c) Seed Mixture

Revegetation Seed Mixture
For the Levan Gypsum Mine

| Plant Type Scientific Name | Rate PLS* Pounds per Acre | No. of Seeds Per square ft. |
|-------------------------------|------------------------------|--------------------------------|
| Amalanchier utahensis | 2.00 | 1.18 |
| Artemisia Tridentata wyo. | 0.10 | 5.91 |
| Cercocarpus Montanus | 5.00 | 6.77 |
| Chrysothamnus nauseosus | 0.30 | 2.75 |
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| Achillea millefolium | 0.10 | 6.36 |
| Linum lewisii | 1.00 | 6.38 |
| Hedysarum Boreale | 3.00 | 2.31 |
| Penstemon eatonii | 0.50 | 6.89 |
| Penstemon palmeri | 0.50 | 7.00 |
| | | |
| Elymus lanceolatus | 2.00 | 7.07 |
| Elymus trachycaulus | 3.00 | 11.02 |
| Elymus smithii | 2.00 | 5.79 |
| Elymus spicatus | 3.00 | 9.64 |
| Stipa hymenoides | 2.00 | 8.63 |
| | | |
| TOTALS | 24.50 | 87.72 |
| | | |
| * Pure Live Seed | | |